

THE TOKEN HUNTER



The Official Publication Of The
National Utah Token Society
(N.U.T.S.)

Dedicated to the Collecting, Recording, and Preserving of
Utah's Historical Medals, Tokens, Coins and Bottles

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NEXT MEETING

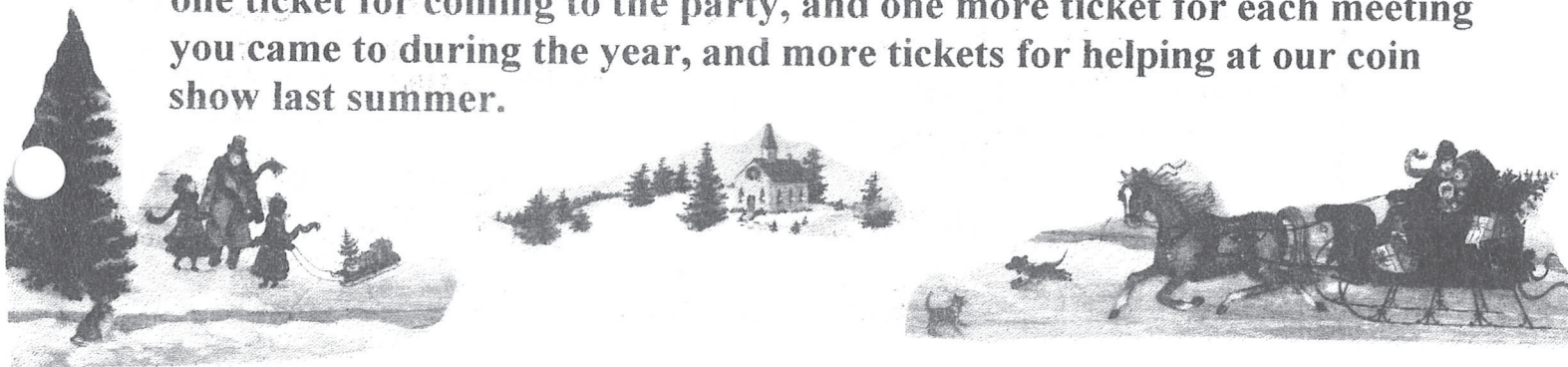
Dec. 26, 7 PM
(the day after Christmas)

Hometown Buffet
5400 South Redwood Road
Taylorsville, Utah

**Christmas
Party**

We will have a buffet dinner. The price is \$9.67 per person.

We will draw tickets for prizes. The top winner will get a White's metal detector, but you cannot buy tickets for this drawing. You will receive one ticket for coming to the party, and one more ticket for each meeting you came to during the year, and more tickets for helping at our coin show last summer.



President's Message

2002 was one of those really good years. The country and the economy are looking up again. We were fortunate to have some really good speakers at the NUTS Club, and our officers have been doing a great job of keeping things organized.

Last month we shared some experiences about our treasure hunting. Of more than 15 stories, Dave Rowel came out the winner with a tale about his luck. He had permission to dig in a 1940's dump by Wendover. He prefers to sweat as little as possible while digging; he uses a Bobcat loader and a power screen. He had a flat on the trailer on the way to Wendover, then worked all day on a rocky, but promising pile of trash. And found nothing. To top off his day, he lost at the casino that night.

Our Christmas party will be at the Hometown Buffet at 5400 S and Redwood Road, a couple miles south of the Redwood Multipurpose Center where we usually have our meetings. (the Chuck-a-rama, which we had planned on, will be closed for remodeling.)

At the Christmas party we will eat, and then thank our current officers, install our new officers, present some awards, and give away lots of prizes, including a fancy metal detector. Everyone who comes will get at least one prize.

Bob Campbell has announced a new treasure hunt for a cache of coins and tokens worth at least \$200. There will be a total of 9 clues. Clues will be presented at our club meetings and in the newsletter. It has been quite a few years since Bob has done one of these treasure hunts. George Wilson found the last one, which was hidden at Bob's Mother's House. Be at the Christmas Party to receive the first clues.

See you there



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Gold Nuggets

By H. Robert Campbell

It has been said that putting a gold nugget into the hand of a man draws a mischievous smile to his face, much like campfire draws men together during a dark cold night. It's a guy thing. It attracts them as they look at the gleam of yellow and feel the weight of gold as they heft it in their hands. It acts like a magnet attracting you to it, much like the crazed gold rush miners of 1849. I have been selling gold nuggets around the country, and in my coin shop, (All About Coins Inc., Salt Lake City, Utah), for over 20 years. Even though I only sell about 25 ounces total weight each year, the type and quality of nuggets are of high grade and most would be considered specimens. This article will discuss the value of nuggets from around the world and what types are worth more than others. I come from a background of a collector and I majored in Geology at Brigham Young University between 1980-1984. I have built several mineral collections and am working on one now that includes gold nuggets. At trade shows I always high grade other dealers inventories and cherry pick nuggets that I know can bring a premium on the market.

Collectors like to own nuggets for conversation purposes or to show other people what gold looks like when its found in its natural form. Most gold nuggets on the market today are smooth and globular in shape rather than having sharp edges. This kind has been worked out of a mother load by torrential rain and glacial ice and brought down by gravity. They have tumbled down streams and rivers over millions of years and are found in alluvial fans and placerfields in gold-bearing ground around the world. They get knocked around with other rocks and their corners are eventually worn smooth. This type of gold is found in ancient riverbeds near the high water marks from monstrous floods. They are also found near old-river bedrock and are the most common type of nugget traded on the market today. Other types of gold nuggets that are bought and sold are usually found with a lot of quartz mixed with the gold and have sharp edges that almost cut into your hand when handling them. This specimen type of nugget is the one that most mineral collectors are looking for. To have gold in the matrix and contrasting white and yellow gold is a rarity and it makes a handsome display in a cabinet collection. No mineral collection would be complete without a stunning sample of native gold like these nuggets.

Most collectors purchase nuggets from the ¼ oz. to 2-oz. size. More serious connoisseurs buy the 3-oz. to one troy pound size nugget. The casual and impulsive buyer picks up the small stuff, under ¼ oz. size. My article doesn't deal with this type of flour to rice size gold but with the pencil eraser sized nuggets and bigger.

Serious collectors buy gold nuggets from different locations around the world. In fact any experienced geologist can determine with reasonable accuracy where a specific gold nugget came from just by eyeballing and analyzing it. All you have to do is look at the accompanying rock with the gold for its color and content. Different purities of gold have different shades of yellow, which also distinguishes the location of its origin. Most gold nuggets that are recovered have a purity of between 70% and 95% pure gold. It is the trace minerals such as copper, silver and in some cases platinum that gives the mostly gold mixture its different hues, which in part gives us a clues as to where it was found. In most cases the person you buy your specimen from can give you a general idea of which

state or country it came from. Advanced mineral collectors want to label the specimens in their exhibit with a location of where they are from to give it a more professional look.

Next, I will discuss general prices to be paid, both wholesale and retail, from different states in America and other countries around the world.

California:

Some of the most beautiful nuggets come from this state. Since gold was first discovered there in January 1848, California nuggets have had a special meaning. Probably no event in the history of the United States has more dramatically changed the economic situation for the positive than the 1849 gold rush.

Nuggets from here wholesale at about \$350-\$500 per ounce. Most standard jewelers appraise a gold nugget at three times melt, (ie: total weight in ounces x spot x 3) but the professional dealer sells each nugget by its own distinctive qualities. One looks for contrast from light to dark within the nugget. Oxidation and dirt collects in the more recessed areas of the nugget and gives it a two-toned look. California nuggets that are found around the northern mines and fields can come very nice and original. Of course nuggets that can trace their origins back to the gold rush era are worth a premium, because of their historical, and novelty value as well as the gold value. I believe most nuggets from the gold rush were melted for their metal value and not saved for their sentimental or collectors value.

Some nuggets come with a dust like appearance on the gold, which can be cleaned up, with a little nitric acid. It brightens up the nugget by getting rid of the scaling that gives it the dirty look. This is apparently acceptable with most collectors, except the purest specimen collectors. Like most coin collectors, they like them in their natural state as much as possible. Certain prized specimen nuggets that come from the famous "16 to 1 mine" are known for their pale white quartz with intertwined gold veins running through the rock. Many unknowing beginners could pass what may be the best nuggets they will ever see because they think that they're not getting their money's worth. The amount of matrix in proportion to gold isn't what they are looking for. If the ratio seems to be about 40% gold to rock to your naked eye, then the weight is really about 90% gold and 10% rock. I feel it's more safe to buy a gold nugget with a little rock (like quartz) embedded in it than without any rock at all because counterfeiters don't usually add rocks. I haven't seen a counterfeit (man made) nugget that would fool even a 1st year coin dealer or a semi-experienced collector yet. As soon as you gain a little experience by handling gold nuggets you will get the feel for real ones and not be duped.

Alaska:

Most dealers would say "by and by" the gold nuggets from here are probably the most handsome found anywhere in the world. Everybody wants to believe that the nuggets, they bought on a cruise ship stop over, originally came from the 1890's Klondike, but it is only a gullible line that tourists fall for. Almost all Alaska nuggets that are sold on the market today have been mined in the last 30 years, and trendy souvenir shops offer most of those. Modern day nuggets, which are mined in Alaska, are found (dug out) with bulldozers and

hydraulic separating equipment. Large commercial operations are still working Alaskan alluvial fans and ancient riverbeds. The day of the lone miner with a full beard and old gold pan are long gone. Present day ecological regulations are even too harsh for the weekend prospector using a 5" suction dredge to go out mining. Only experienced operations can keep up with all of the paper work the government requires. One ounce plus nuggets usually wholesale at \$450-\$700 per ounce and retail at \$550-\$1000 per ounce. Some people mount their nuggets, for jewelry, therefor nuggets that can hang from a gold chain in the form of a teardrop bring a premium just for their shape. Of course, no one mounts a 3 + ounce size nugget or one with lots of quartz in it. I sometimes take off the loops when I buy a nugget that has been mounted. I use jewelers' saw, and rough up the area that has traces of solder remaining. It is not advisable to try and burn off or liquefy the solder because it has a tendency to run into the crevices of the nugget. I would also have to tell you that it's very common for someone to name their nugget by its shape (ie: a woman's body, head of a bear, etc.). This seems to be an excuse dealers use to ask for more money on their nuggets. My advice to you is to say to them, "I just don't see it," and usually the price drops a little. However, I can see someone paying extra because the nugget has character, or stands up and displays well. Miniature cabinet-sized nuggets are about the size of one of your fists, but most stateside nuggets don't come this big. You have to remember that most "old time prospectors" who panned for gold, never came across even a single one-ounce size gold nugget in a lifetime of hunting and digging.

Nevada, Idaho, and Montana:

These states gold nuggets vary from 70% gold and up. They usually are not as pure as California or Alaska nuggets, which average 90% purity or slightly better. As usual, there are exceptions to the rule, but this is generally true. Ugly one ounce plus sized nuggets from some Nevada locations are "hard sells" even at spot (melt) plus 10%. Therefore there is a wide range of values on gold nuggets from these states. I've seen very nice nuggets from Montana wholesale between \$300-\$400 per ounce and others at 90% of weight times spot. A nugget with a lot of white quartz will retail at \$450-\$600 but usually the rock surrounding the gold is dark brown to black in color. This hinders the extra money you can expect to get if it had pure white quartz. Rose quartz might be the exception if its not accompanied by yellow and brown rock. I haven't seen many large (one ounce) nuggets come out of Idaho but I'm sure some are found. I have heard of 6-7 ounce sized nuggets for the past 10 years but I have only seen pictures and not actually held one. These rarely make it into the market because their finders become suddenly attached to them. I've heard of some prospectors even want to be buried with their largest find. This adds new meaning to, "you can't take it with you." I would imagine you would have to pay a retail price of about 2 time's melt for any Idaho one ounce plus sized nuggets.

Utah, Colorado, and Wyoming:

Only in Colorado can you find any nuggets for sale on the market from these states and their form is mostly flat and they lack character. I'm sure there are exceptions to this rule as well, but from what I've seen this is generally the

case. Rarely do I see even a 1/4 ounce sized nugget for sale, and even then, you should be able to buy them for around spot -10% wholesale. Their purity is usually 70%-80%. Retail is about 20% higher. Utah's state record size nugget is only 1/2 ounce, so nuggets from here are truly rare. I've seen gold nuggets that were smuggled out of the Kennecott Copper open pit mines by workers there and in the ore processing plant. They are usually 1/10-1/4 ounce in size and wholesale for spot +10% and retail for spot +50%. I've only seen very small stuff from Wyoming and have yet to hold a sizable nugget from there. Gold from here would probably sell at spot or slightly under that because of its probable purity. I am sure there are exceptions but I don't have any first hand knowledge of any.

Georgia, North Carolina, and other surrounding states:

I've only owned a few nuggets from these states and usually they are found with more than 70% quartz in them. They are not very pretty but are extremely rare and command a large premium over their gold content. Wholesale is 2+ times spot and retail is double that because of the infrequency in obtaining specimens. Good luck in finding a nice one. My advice is to not pass up anything, even if you think that you might throw it away, if it were from the extreme western United States. I believe most other locations around America have mostly small flour sized to rice sized type of gold, and in this article I'm talking about "sight-seen" gold that is recovered. Sightseen gold is what your eye can see and not sight-unseen or microscopic gold ore taken out in tons and crushed, then acid leached and processed.

Australia:

This seems to be the new hot bed of nugget hunting. More quality size nuggets (three plus ounces) are found here with metal detectors than anywhere else in the world today. I understand that there are laws that forbid the "open pit" or "scrapping the earth" type of mining and only hand tools to certain depths are allowed. But even with these restrictions, fantastic finds are being made every day. Nice globular and sharp edge gold nuggets are bought over there by middlemen dealers to sell to the public here at almost wholesale prices. Large nuggets, up to one troy pound (12 troy ounces), can be bought for \$400 per ounce. Depending on the character and how the nugget stands up, the retail price can reach \$600+ an ounce. Most of the nuggets available on the market to collectors are from here, but it seems the best quality ones are moving fast. You can still be picky but don't wait much longer to add a nice nugget from this location to your cabinet. One interesting note to mention here is, I wish the original prospectors would not dip and soak their nuggets in muriatic acid to remove the iron and quartz rock from in between the gold. They believe that the middlemen buyers are trying to cheat them by telling them their gold nuggets are worth less because of the percentage of rock to gold. They therefore take out the rock, or at least take most of it out. These specimens are identified by having very smooth outer edge but as you run your fingers towards the insides you can feel the sharp edges where the quartz used to be. It hasn't been tumbled in these areas and smoothed over by nature. It kind of feels like holding a large magnet with razor blades clinging to it. I look for ones that still have some quartz remaining to give it some credibility to its authenticity. Most are usually globular in nature and are probably the best

value on the market. I should mention that nuggets from Australia are usually more pale yellow than their counterparts from California and Alaska. I have been told by wholesalers that this is because of their high purity (about 95%) but I really believe it is because of the acid bath that most of these nuggets go through. The golden russet hues of their counterparts, (California and Alaska) are much more appealing to my eye and I believe the market agrees.

Russia, South America and Miscellaneous other countries:

Nuggets from these places are usually not very pretty and are only sought after by the most advanced collectors of nuggets. You should expect to pay a varying range of prices. I recently sold a nugget from Russia for about 4 times melt and it wasn't anything to brag about. It did have a foreign look about it, but it didn't turn me on enough to put it into my collection. You're on your own when venturing after these nuggets because I just don't have enough experience in valuing these specimens. For the most part, these nuggets are small in size and most lack character. Happy Hunting!

Well there you have it, "the world of nuggets according to Bob." I'm sure there are many others who could have written a better article, and I for one would like to read them. I'll leave you with a description of my favorite gold nugget in my collection. It is a museum quality specimen that came from the Detroit Money Museum in Detroit Michigan years ago. Where it originally came from before the museum is still a mystery to me. I do have a hunch it is from California, but I just can't be sure. It weighs about three ounces and has fingers of gold extending outward from a very white quartz center. It kind of looks like snakes coming out from Methuselah's head, but that's just the dealer part of me talking. Cotton fibers still cling to it from the box that I brought it home in. A fellow coin dealer sold it to me who also deals in ephemeral types of items like I do. I expect it would sell for \$1500+ an ounce, for I have been offered \$4000 for it from a very advanced collector. It's a keystone in my mineral collection. It is certainly not the most valuable specimen I have, just one of the finest pieces in my entire cabinet. I haven't seen a finer gold specimen yet for sale. It's the stuff dreams are made of, and it's not for sale---at least not yet.

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November Crossword

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